

**SECOND SUPPLEMENTAL HOLLEMBEAK DECLARATION
IN SUPPORT OF AMENDED APPLICATION OF SPS I FUNDO DE
INVESTIMENTO DE AÇÕES – INVESTIMENTO NO EXTERIOR
FOR DISCOVERY PURSUANT TO 28 U.S.C. § 1782**

EXHIBIT L

Unofficial English translation of the Poder360 Article

US Treasury analyzes suspicious financial data about JBS since 2014

 www-poder360-com-br.translate.google/justica/tesouro-dos-eua-analisa-dados-financeiros-suspeitos-sobre-a-jbs-desde-2014

PODER360

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Information corroborates reported crimes

Delation in Brazil was only in 2017

Clearance is part of the FinCen Files series

Uniflisch: cited as diversion channel

JBS says it has already reported past actions



FinCen agency in the US had already been warned about suspicious operations by the company 6 years before the award-winning whistleblowing in Brazil

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US authorities combating money laundering have received reports of suspicious international transactions from JBS since 2014. Only 3 years later, in 2017, the brothers Joesley and Wesley Batista, owners of the company, made an award-winning denunciation in Brazil and revealed crimes committed , including the purchase of politicians through the payment of bribes.

Data on JBS's financial transactions appear in records called Suspicious Activity Reports (SARs) produced by FinCen (Financial Crimes Enforcement Network), a branch of the US Treasury Department. . The US Treasury is similar to the Ministry of Economy in Brazil.

Created in 1990, FinCen is a kind of financial agency that acts against money laundering, use of resources by groups considered terrorists and other types of monetary crimes. In Brazil, the equivalent body would be the Coaf (Council for the Control of Financial Activities), but FinCen has much more power.

The documentation used in this report was obtained by *BuzzFeed* in the United States and shared with the ICIJ (International Consortium of *Investigative Journalists*), which coordinated the investigation named “ *FinCen Files*” . More than 400 journalists from 110 media outlets in 88 countries participated in the investigation – in Brazil, Poder360 and *Época* and *Piauí* magazines .

USA AHEAD OF BRAZIL

The collection made available now is useful for comparing what the Batista brothers did and what they reported to the Brazilian authorities when they made their award-winning denunciation , which later had 1 termination request presented by the Public Ministry itself and is still awaiting a decision by the Federal Supreme Court.

It is clear from the analysis of the paperwork that the US control bodies are light years ahead of their counterparts in Brazil. When JBS showed Roberto Carlos' commercial on Brazilian TV saying that he had returned to eating meat, in 2014, US authorities were already tracking possible trafficking by the Batista brothers. The first suspicions about JBS were raised by US authorities in the year of that advertisement.

In the documents obtained, it is evident that operations linked to two offshore companies related to JBS and their owners (Lunsville and Valdarco, both in Panama) have data since 2014 that were analyzed by FinCen.

FinCen also mentions a company that operated as a commercial representative of the Batista brothers to sell JBS products in Europe, Unifleisch – and that received commissions for providing this service. The alerts indicate that the commission was 3%.

NEW COMPANY: UNIFLEISCH

Unifleisch was until now a novelty in the Brazilian media. Nothing appeared when someone searched the internet for the name of this company associated with Lava Jato or the accusations of Joesley and Wesley Batista.

Poder360 learned that Unifleisch already operated as a commercial representative for the former Frigorífico Bertin, which was bought by JBS in 2010. This entry by Bertin into the export market was what attracted Joesley and Wesley Batista: they wanted to acquire a platform to **sell** JBS products (better known as Friboi) in other countries.

After the purchase of Bertin, the Batista brothers maintained the same Unifleisch representation services.

This company became part of the system used by Joesley and Wesley Batista to irregularly bring in part of the resources that JBS had to receive for exports. This type of operation is described in the accusations made to Lava Jato in 2017.

Part of the “hot” money from exports ended up in *offshore* companies in Panama – and then returned “cold” to Brazil through dollar changers and paid bribes. Information that corroborates these operations is in documents with the confessions made to the Public Prosecutor’s Office and it was already known. In 2017, the then director of JBS, Demilton Antonio de Castro, explained in attachment 41 of his denunciation that such deviation had occurred since 2000.

Unifleisch transferred part of JBS payments for exports to accounts in Panama. As he took care of commercial representation, he deposited where JBS shareholders determined. The money that was later “*cooled*” went mainly to the companies Lunsville and Valdarco, in Panama.

It is interesting in this episode how the fragility of fiscal and financial control mechanisms in Brazil is exposed. The Federal Revenue could have detected in the early 2010s that JBS did not bring back part of its external income to headquarters. The Coaf (Council for the Control of Financial Activities) was also unable to raise any alert regarding these suspicious transactions. Meanwhile, in the US, FinCen had already received data on possible trafficking that had occurred since 2011.

Brazilians only really started to know what was going on after the award-winning denunciation of Demilton Antônio de Castro to the Public Ministry. In Demilton's report, from 2017, the operation is described in attachment No. 41 (when he makes reference to Lunsville and Valdarco).

After presenting his initial information in Annex 41, Demilton showed the MP material evidence of what he had said. He produced bank statements that indicated the money transfers to the accounts of the two companies in Panama (Lunsville and Valdarco). Then the Public Ministry also came to know the name of Unifleisch as the source of payments.

Poder360 confirmed with authorities accompanying the case that the bank statements exist . They were all handed over to the Public Prosecutor's Office and Unifleisch's name is there, as a paying source for the resources that went to tax havens. The information was provided by JBS during the whistleblowing process, in mid-2017.

Unifleisch also appears in documents from subsequent tax proceedings that JBS faced at the Federal Revenue Service. According to **Poder360**, the tax authorities have extracts identifying these operations and know that the origin of the funds is the Unifleisch commercial representative.

By showing the extracts to the Federal Revenue, JBS claims that the commercial relationship with Unifleisch was based on the form of a *“licit commission”* for the services provided.

FINCEN DISCLOSURES

What new do all these FinCen documents bring?

The main one is that the control authorities in the US already knew a lot about Joesley and Wesley Batista, with data recorded since 2011. Alerts about the company began to be made in 2014.

The North American financial agency knew exactly how the commercial representative of JBS, Unifleisch, sent part of the legal money from the Brazilian company's sales abroad directly to *offshore companies* in Panama.

FinCen cites several transactions it found suspicious:

US\$ 633.9 million moved by Unifleisch – FinCen claims that data from Barclays in the United Kingdom, shared with the bank's branch in New York and later turned into an alert, indicate that Unifleisch made 859 money transfers in the period of 6 of September 2011 to April 12, 2016. Total turnover: US\$633.9 million (the report has the exact amount: US\$633,944,525.20);

US\$ 212.6 million for Valdarco – The English Unifleisch sent the transfers to the Batista brothers offshore from September 2011 to December 2014. Authorities considered the movement suspicious because they did not discover what Valdarco, apparently a front company, is doing or a vehicle just for financial transactions;

US\$ 84.6 million for Lunsville – This offshore is also controlled by JBS. Operations took place from September 2011 to December 2014;

\$6.19 million for Rondo – transfers were made from November 2011 to April 2016. Investigators say they don't know what Rondo does; that's why they considered the operation suspicious;

US\$ 2.07 million for Triple Talent Holding – the American agency put a yellow flag on the movement because the company that received the resources in October 2015 is from Hong Kong, had its activities closed and there is no public information about its commercial purpose;

US\$ 1.59 million for Pershing Limited Liability – the operation was considered suspicious because the shipment, from September 2015, was justified by a company, Have Word Advisers, which has no known activity;

US\$ 52 million for Antigua Investments – the bank in the United Kingdom considered the deposit suspicious because it said it did not know what Antigua does. Subsequently, the bank received information that Antigua Investments is a personal investment company owned by José Batista Sobrinho, the father of Joesley and Wesley Batista;

US\$ 86,600 for Unifleisch S/A from Switzerland – The English company sent the funds in October 2015 to a company with the same name, but located in Swiss territory. The English bank placed the remittance under suspicion because the origin of the transferred funds is not known.

The common thread between these transfers is that they went to recipients located in *“jurisdictions with a high risk of money laundering”*. These are funds, as in the JBS accusations, which then entered Brazil through money changers to pay bribes to politicians and authorities.

FinCen's report goes back to 2016. It describes many known facts. But by making it clear that authorities in the US knew what was going on, it becomes easier to understand what came next.

In 2016 (date of FinCen's most recent known report), the Batista brothers or the addresses of their companies were already being targeted by Federal Police search and seizure operations. The following year, they decided to make a plea bargain – including the rumored recording that Joesley made of a personal conversation he had with then-president Michel Temer, on April 17, 2017.

When looking at the facts retrospectively, it also makes sense that the Unifleisch commercial representative, in the United Kingdom, ended its activities in December 2016. This unit, if it was actually used by the Batista brothers, was the most troubled by the fact that Barclays alerted FinCen.

The Baptist brethren may have inferred that the scheme used was about to be dismantled by the authorities.

There are 5 reports in the FinCen Files that detail financial transactions of official accounts of the main company of the J&F Group, JBS S/A.

The transactions were registered in the Deutsche Bank database and totaled US\$ 1.86 billion from August 2014 to September 2015 (the equivalent of just over R\$ 10 billion, according to the dollar exchange rate on Thursday, 24 September 2020). There is no evidence of wrongdoing. Nor is it possible to know if there was any deeper investigation or what the conclusion would have been.

WHO OWNS UNIFLEISCH

Extracts of the money sent by Unifleisch to Panama were not leaked to the media in 2017 or 2018, when JBS was very much in evidence because of Lava Jato.

Interestingly, when someone reads the 49 pages of the leniency agreement between JBS and the Public Ministry, signed on June 5, 2017, the name Unifleisch is not mentioned. By the way, Lunsville and Valdarco do not appear either – despite being explicitly mentioned in the accusations about how JBS money was diverted to tax havens. The American document with the suspicion surrounding Unifleisch was made almost a month before the leniency: it is dated May 9, 2017.

In the FinCen documents it is very clear that Unifleisch's relationship with *offshore companies* in Panama is very close. They are gears of the same scheme.

FinCen, however, does not categorically state anything about who owns Unifleisch. This remains undefined, as will be seen later in this article – although the relationship between that company and JBS is well known and completely public.

What caught the attention of FinCen, in the United States, was the constant flow of money from Unifleisch to the *offshore companies* Lunsville and Valdarco in Panama. The financial agency of the US Treasury received 1 Suspicious Activity Report (SARs) prepared by Barclays of New York at the request of the same bank in England.

Here is what Barclays NY said in its SAR about Unifleisch:

- *“Unifleisch was not conclusively identified through internet research”* (in fact, the company had 1 address in London, but it did not objectively clarify its activities or who would be its controllers);
- *“Negative information was discovered about a counterparty identified as being one of the primary sources of funds in Unifleisch's bank account”* (reference to operations that JBS was the target of in Brazil);
- *“ Unifleisch has transactions with unverifiable parties in high-risk, money-laundering jurisdictions, specifically Panama and Switzerland”* ;
- *“It is not clear the relationship that is maintained between the parties involved in the transactions”* .

Barclays goes on to say that *“the relationship between these companies is unclear”* . And present your doubts:

- *“There is no apparent economic, business or legal reason for these transactions”* (money leaving Unifleisch in London and being deposited to Lunsville and Valdarco in Panama);
- *“Fields on payment instructions for two relatively large transfers are filled in with the expression 'loan agreement' ”* ;
- *“The terms and purposes of the loan agreement between Unifleisch and its counterparties are unknown and”* ;

- *"Source of funds for money transfer unknown"* .

According to the FinCen document, *"these transfers appear to be built in layers of a circular scheme in an attempt to mislead or hide the true source of funds and/or their origin"* .

FinCen documents indicate that Unifleisch Limited, *"also known as Unifleisch SA and Unifleisch S/A"* , opened an account at a branch of Barclays bank in London on 17 June 2007 - and, in turn, a corresponding account at Barclays in New York, in the United States. Barclays itself marked Unifleisch's operations as suspicious and triggered the alert for FinCen – because of the numerous transfers of funds to tax havens.

SAR Number 31000093847394: HAMBLE CORPORATE SERVICES is identified as a subject of the following SAR, filed by a depository institution, involving suspicious designation of beneficiaries, assignees or joint owners, suspicious use of multiple accounts, and transaction with no apparent economic, business, or lawful purpose.

Activity Dates	Subjects	Amount Involved	Filer and Activity Location
September 06, 2011 to April 12, 2016	HAMBLE CORPORATE SERVICES LIMITED Address: Floor 2nd Market Road Wickford, London, United Kingdom Ss12Obb <i>25 additional subjects</i>	\$633,944,526	Barclays Bank PLC; New York, New York

THE SAR FILING INSTITUTION PROVIDED THE FOLLOWING INFORMATION: The New York Branch of Barclays Bank PLC ("Barclays NY"), a United Kingdom ("UK") banking corporation, maintains a United States Dollar ("USD") correspondent account for its affiliate, Barclays Bank Plc, Knightsbridge ("Barclays UK Wealth"). A Barclays UK Wealth account in the name of **Unifleisch Limited**, also known as **Unifleisch SA** and **Unifleisch S/A** ("Unifleisch") was flagged for review as part of Barclays NY's surveillance program.

Barclays NY is filing this Suspicious Activity Report ("SAR") on Unifleisch, its owners, and its counterparties because:

- Unifleisch was not conclusively identified through Internet research;
- Negative information was discovered on a counterparty identified to be one of the primary sources of funds for Unifleisch's account;
- Unifleisch is transacting with unverifiable parties located in high risk jurisdiction known for money laundering, specifically Panama and Switzerland;
- The relationships between these parties was unclear;
- There was no apparent economic, business, or lawful purpose for the transactions; and
- the payment instruction fields of two (2) relatively large USD wire transfers referenced "Loan agreement;"
 - The terms and purposes for any loan agreements related to Unifleisch and its counterparties are unknown; and
 - The source of funds for the wire activity is unknown.

Moreover, these wire transfers appeared to be layered in a circular scheme as to attempt to disguise or hide the true source of funds and /or its origin.

Background of **Unifleisch Limited** Unifleisch, which is located at an address in London, UK according to wire details, was not conclusively identified through Internet research. According to Barclays UK Wealth, Unifleisch's account was opened on or about June 17, 2007. The customer profile was said to be in line with the Barclays Group Anti-Money Laundering requirements. Unifleisch was also said to act as an agent for the sale of beef/meat products; working on behalf of JBS SA ("JBS"), Lunsville International Incorporated (Inc.) ("Lunsville"), and Valdarco Investment Incorporated (Inc.) ("Valdarco").

In this arrangement, **Unifleisch is said to receive a 3% commission from JBS for sales generated.** Barclays UK Wealth went on to describe the agency structures as involving the following features:

- **Contracts for the purchase of products or services are concluded by either JBS, Lunsville, or Valdarco directly or through Unifleisch on the instruction of the main clients;**
- Contracts for the sale of products or the provision of services are concluded by the main clients directly, but formalized by Unifleisch on the instruction of the main clients;
- Unifleisch is instructed by either JBS, **Lunsville, or Valdarco** for all action required to be taken;
- Unifleisch will issue invoices with its Value Added Tax ("VAT") number;
- Unifleisch will also sign documents and handle funds; and
- Unifleisch cannot deal with UK suppliers/service providers or UK customers.

Further, according to Barclays UK Wealth, payments from Unifleisch to JBS, Lunsville, and Valdarco represent the funds generated/profits of the agent. USD Wire Transaction Search - Unifleisch Limited Due to a high number of wire transfers with counterparties located in high risk jurisdictions for money laundering, a five (5) year USD wire look-back on Unifleisch was conducted, which revealed the following: Unifleisch Limited On or about and between September 6, 2011 and April 12, 2016,

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Excerpt from FinCen alert about suspicious activities by Unifleisch, which deposited money from JBS to Lunsville and Valdarco, in Panama

There are also two curiosities about Unifleisch.

The first is that in the references that JBS makes to Unifleisch in documents to the Public Prosecutor's Office and the Federal Revenue Service, the company is cited as *"Unifleisch AS – United Kingdom"*. There is no record of a firm with that name in official UK controls – only the designation Unifleisch Limited is found .

The other curiosity is that Barclays claims to have opened an account for British Unifleisch on June 17, 2007. It turns out that official records about the creation of Unifleisch in the United Kingdom are from September 11, 2007, as shown in this company incorporation [document](#) . That is, the venture would have achieved a bank account before it formally existed, which could be either a formal error in Barclays' reporting to FinCen or Unifleisch using its existing incorporation registration in another country (the company operates in multiple locations in Europe).

Unifleisch in the United Kingdom, in London, was dissolved on December 26, 2016 ([here is the official document](#)), precisely at the end of the year in which the Batista brothers had faced difficulties in the phases of the Lava Jato operation. First, Operation Sepsis, in July 2016. Then Greenfield, in September 2016.

In its [articles of association](#) , Unifleisch states that its core business was to “*do business as a general trading company*”.

The names of Unifleisch's shareholders and directors in the United Kingdom indicate absolutely nothing: it is a large list of people and companies that also appear in the articles of incorporation of another infinity of enterprises, as verified by **Poder360** . The impression that remains is that the creator of the business did not want to publicly disclose who was behind the firm.

Unifleisch was more generous in describing itself to Barclays when it opened its bank account. He said that he acted as a “ *commercial agent for the sale of meat*” and that he worked “*as a representative of JBS SA ('JBS'), Lunsville International Incorporated (Inc.) ('Lunsville') and Valdarco Investment Incorporated (Inc.) ('Valdarco ')*” .

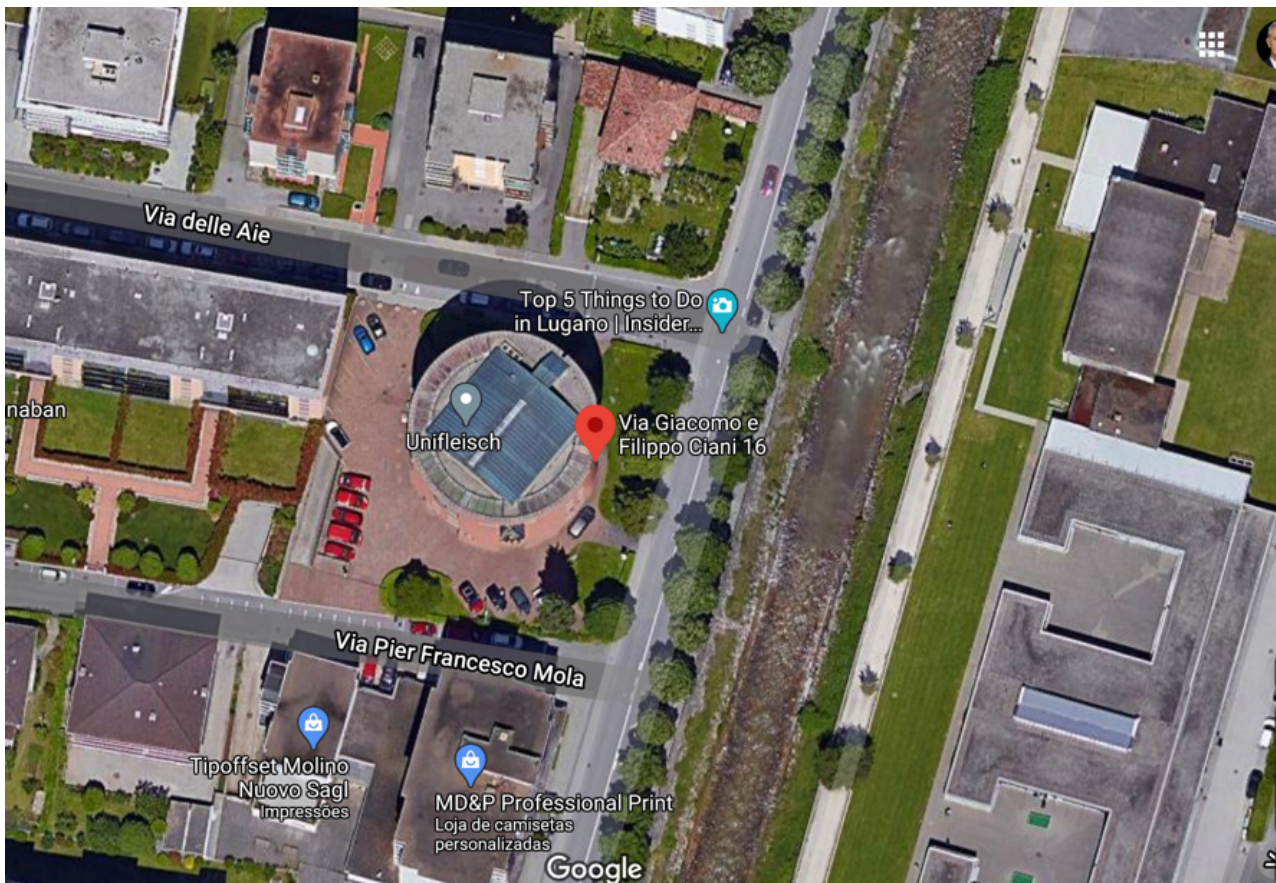
For Barclays, Unifleisch's profile was initially “aligned with the anti-money laundering requirements of the Barclays Group” .

As the documents and reports obtained by this report only go back to 2016 at most, there is no way of knowing the conclusion of the investigation by the US control body.

It is important to note that there are other companies with the Unifleisch name (the noun “Fleisch” in German is “meat” in English). Including a large one in Germany ([Unifleisch GmbH](#)).

The current Unifleisch that serves JBS is Unifleisch S/A, which is located at via Giacomo e Filippo Ciani, n° 16, postal code 6900, in Lugano, Ticino, Switzerland. 1 direct employee of the companies of the Batista brothers works there, the zootechnician Juliano Silva Jubileu.

On the internet, you discover that one of the company's legal representatives is also from Lugano – Giuseppe Costantino, trustee who also lends his name to 33 completely different firms, which take care of everything from film production to the representation of clothing and footwear, the manufacture of homemade pasta to bowling and arcade management.



Playback/Google Maps

Unifleisch headquarters in Lugano, Switzerland

Giuseppe Costantino could not be reached for comment for this story.

Zootechnician Juliano Jubileu is often cited in texts on websites specializing in the meat market. Juliano works for JBS within Unifleisch. He is presented as “*JBS Unifleisch export director*” in this text from September 3, 2020 , from *Canal Rural* , which belongs to the JBS Group. In a video interview with Canal Rural, he talks about Lugano, Switzerland:

“There are a lot of people travelling, some cases of Covid-19 that have increased here in Europe, and this makes buyers to be more conservative in relation to risk taking or positioning of purchases, but, in general, for chilled meat it was very positive, it was very good for Brazil and we managed to sell very well” .

In this September 3 interview, *Canal Rural* informs that Juliano will leave his post at JBS Unifleisch in Lugano “ *after 6 years* ” to take over sales of Seara products in Europe. Seara is one of the divisions of JBS.



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Juliano Jubileu, who has been running JBS Unifleisch for 6 years, in Lugano (Switzerland), whose role is to be the group's commercial representative in Europe

JBS was approached and declined to comment on how Unifleisch's operation for the Batista brothers conglomerate was and is today. Even so, with the available data, it is possible to deduce that at least part of the work is a public commercial relationship for export purposes, as shown in the interviews with Juliano Jubileu.

Does the fact that Jubileu presents itself as from “JBS Unifleisch” indicate that the commercial representative in Switzerland could belong to Joesley and Wesley's company? It's not clear. JBS was asked about it by **Poder360** and **chose not to comment or explain**.

One thing is certain: since he has been in Switzerland for 6 years presenting himself as a JBS Unifleisch, Juliano Jubileu must know details of how they were part of the operations that his employers commanded to send funds to tax havens.

FINCEN FOLLOWS THE MEDIA

FinCen reports cite 4 episodes involving JBS. These are facts that were reported by the Brazilian media and that served as a warning sign about the activities of the Batista brothers and their companies.

The 1st case cited by FinCen is the Abate operation, which in 2009 investigated health agency inspectors; the 2nd is the blocking of BRL 73 million by the company in Mato Grosso, in 2014, on suspicion of receiving illegal tax benefits; the 3rd is the suspicion of favoring the company in CARF (Administrative Council of Tax Appeals) judgments, brought to light by Operation Zelotes .

The 4th event was the investigation into corruption in state-owned pension funds that invested in Eldorado Brasil Celulose, a group company, brought to light by the Greenfield operation in 2016. At the time, the company's assets were frozen and the Batista brothers had to away from the direction.

This event is treated as the most serious in the FinCen reports and led to an investigation into the banking transactions of 11 members of the board of directors, supervisory boards and directors of Eldorado, mentioned by name. Documents obtained by ICIJ do not report the outcome of this investigation.

As with the Brazilian Coaf reports, not all the information contained in the documents is evidence of irregularities or crimes. Most of the records involving JBS deal with its commercial and legal relationship with different partners buying Brazilian meat, in countries such as Russia, Singapore, the Netherlands, Hong Kong, Venezuela and Uruguay.

In addition to the figures for operations carried out, FinCen's reports are supplied with responses from the banks' compliance sectors to the questions. *"Can you provide us with primary/secondary business activities and any other information that might help us?"* , asked the prevention body to the Santander bank.

"JBS is one of the largest food processing companies in the world, producing processed beef, sheep, chicken, and pork and selling by-products from the processing of these meats ," the bank recorded.

A similar initiative occurred when FinCen activated an alert for millionaire transactions between JBS and Russian buyers. Sudostroitelny Bank said, when asked: *"The transactions are in line with the expected activity of the customer"* .

NOTE FROM J&F

When asked to talk about FinCen's reports, JBS did not respond. Its parent company, J&F, just sent a note. Here's the full:

"J&F reiterates that all financial transactions that merited reporting to the authorities were duly reported, as a result of J&F's leniency agreement and its executives' collaboration agreements.

"J&F Group companies export products to more than 190 countries around the world, so it is only natural that there are hundreds of thousands of commercial operations in the most varied continents. These are legitimate financial transactions, registered and reported as required by local and international laws, including generating positive impacts on the Brazilian trade balance.

"Any insinuation contrary to their legality is a frivolous, harmful and irresponsible inference".

This report is part of the FinCen Files series. The final edit was produced by **Poder360** . Part of the data collection was carried out by journalists Thiago Herdy and Guilherme Amado, from *Época* magazine (from Grupo Globo).

Correction – 25.Sep.2020 – 9:00 am : This post was published with some inaccuracies in the descriptions of Unifleisch financial operations considered suspicious by FinCen. The text is now up to date and the data reflect exactly what is in the reports of the US Treasury agency.

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